

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **February 25, 2003**

AGENDA ITEM NO.: //

CONSENT:

REGULAR: **X**

CLOSED SESSION:
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Meadowbrook Apartments; Low Income Housing Tax Credits**

RECOMMENDATION: Authorize the City Manager to execute a letter of support for the application of Lynchburg United Methodist Housing, L.P. for Low Income Housing Tax Credits for the acquisition and rehabilitation of the 150 unit Meadowbrook Apartments complex.

SUMMARY: The attached correspondence from Mr. Eugene Cook of City Mortgage Corporation seeks the City's letter of support for this project. Also attached is a letter from the Virginia Housing Development Authority that includes a description of the project. Staff recommends sending the letter of support as the project already has a HUD Section 8 contract and the planned rehabilitation will improve the quality of the project.

PRIOR ACTION(S): None

FISCAL IMPACT: N/A

CONTACT(S): Kimball Payne, Annette Chenault

ATTACHMENT(S): Letters from City Mortgage Corporation and VHDA

REVIEWED BY: lkp



"Eugene C. Cook"
<ccook276@comcast.net>

To: "L. Kimball Payne (E-mail)" <kpayne@lynchburgva.gov>
cc: "Rev. J. Robert Regan, Jr. (E-mail)" <bregan625@aol.com>
Subject:

02/13/03 02:52 PM
Please respond to ecck

Dear Mr. Payne,

My company, City Mortgage Corporation, is assisting the Virginia United Methodist Housing Development Corporation (VUMHDC) arrange financing for the acquisition and rehabilitation of the Meadowbrook Apartments, located at 1201 Long Meadows Drive, Lynchburg, VA. Part of the equity financing will be through the use of Tax Credits. You have probably received a letter from Mr. James Chandler of the Virginia Housing Development Authority notifying you of our intention to submit an application for the tax credits. VUMHDC would appreciate receiving the support of the City of Lynchburg.

VUMHDC plans to acquire the apartments from the Fralin & Waldron group. They will spend approximately \$8,700 of hard construction costs on each of the 150 units, (a total of about \$1,316,000) and will continue the existing HUD rental subsidy. VUMHDC has formed a limited partnership, Lynchburg United Methodist Housing, L. P., to acquire and rehabilitate the property. VUMHDC will be the sole general partner of this partnership.

Rev. Robert Regan, the president of VUMHDC, and I are available at your convenience to discuss and/or meet with you and your staff to review this acquisition in more detail.

VHDA has prepared a form letter for execution by the local governments indicating their support. This is a form letter that has to be prepared on the letterhead of the local government. Attached is a copy of the form letter as prepared by VHDA with various instructions. Also attached is a copy of the letter with the appropriate information already filled in that can be printed directly on the letterhead of the City of Lynchburg. I would appreciate receiving the original signed copy of this letter at your earliest convenience, for inclusion in our application.

Please feel free to contact either me (703-743-5700) or Rev. Regan (540-972-2813) with any questions you may have. Thank you for your help.

Gene _____
Eugene C. Cook
City Mortgage Corporation
6763 Arthur Hills Drive
Gainesville, VA 20155-3102
Phone 703-743-5700

Fax 703-743-5706
Toll Free 877-743-5700
citymortgage@usa.net





January 31, 2003

Mr. L. Kimball Payne, III
City Manager
City of Lynchburg
P. O. Box 60
Lynchburg, VA 24505

RE: Meadowbrook Apartments

Dear Mr. Payne:

The above referenced project may be submitted to the Virginia Housing Development Authority (VHDA) for a reservation of 2003 Low Income Housing Tax Credits. The tax credits apply to the owner's federal tax return, but the VHDA is responsible for allocating the credits to projects within Virginia. We are required by the Internal Revenue Code to provide localities with an opportunity to comment on the projects under consideration.

You may have already written a letter which will be included in the application package submitted by the project sponsor and if so, we appreciate that input. If not, or if you would like to comment further, you may do so at this time. In order for us to consider your comments in our scoring, we must receive your letter by April 15, 2003.

Letters which correspond to the attached letter of support will qualify the application for 50 points. If you send an opposition letter stating that the project is inconsistent with (1) current zoning, or (2) other applicable land use regulations, the project will receive no points in this category. Additionally, if you provide no comments or if your letter does not meet the support or opposition criteria discussed above, the application will receive a score of 25 points.

For your reference, we have included project information sheets which briefly explains the project and identifies the sponsor.

Thank you for your time and consideration.

Sincerely,


James M. Chandler
Senior Development Officer

JMC/dlg
Enclosures

RECEIVED

FEB 03



Appendix I: Local CEO Support Letter

(This Form May Be Included With Application - Tab I)

or

(This Letter Must Be Received by VHDA by April 15, 2003)

(This Form Must Be Submitted Under Locality's Letterhead)

DATE

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220
Attention: Jim Chandler

RE: LOCAL SUPPORT

Name of Development: _____
Name of Owner/Applicant: _____

The construction or rehabilitation of (NAME OF DEVELOPMENT) and the allocation of federal housing tax credits available under IRC Section 42 for that development will help meet the housing needs and priorities of (NAME OF LOCALITY). Accordingly, (NAME OF LOCALITY) supports the allocation of federal housing tax credits requested by (NAME OF APPLICANT) for that development.

Yours truly,

CEO Name
Title

NOTE TO LOCALITY: Any change in this form letter may result in a reduction of points under the scoring system. If you have any questions, please call Jim Chandler at VHDA (804) 343-5786.

NOTE TO DEVELOPER: You are strongly encouraged to submit this certification to the appropriate local official at least three weeks in advance of the application deadline to ensure adequate time for review and approval.

A. PROJECT INFORMATION SHEETS FOR TAB Z

Name of Development: Meadowbrook Apartments

Address of Development: 1201 Long Meadows Drive

City of Lynchburg, VA 24502-5244

Circuit Court Clerk's office which the deed to the property is or will be recorded:

Lynchburg City

City/County of

Does the site overlap one or more jurisdictional boundaries?

Yes

☐

No

☒

Is the development located in a Metropolitan Statistical Area?

Yes

☒

No

☐

Census tract project is located in

0009.00

Census Tract Number

Is this a Qualified Census Tract?

Yes

☐

No

☒

Is the development located in a Difficult Development Area?

Yes

☐

No

☒

Is the development located in a enterprise zone designated by the State?

Yes

☒

No

☒

Is the development located in a Housing Revitalization Zone?

Yes

☐

No

☒

Is the development located in a Revitalization Area?

Yes

☐

No

☒

Is the development located in a local revitalization area?

Yes

☐

No

☒

Congressional District6

State Senate District23

Planning District11

State House District23

Name and title of local official you have discussed this project with who could answer questions for the local CEO:

Annette M. Chenault, Planner

Tax Credit Pool:

Nonprofit

B. PROJECT DESCRIPTION

In the space below, give a brief description of the proposed project.

The applicant proposes to acquire and rehabilitate the Meadowbrook Apartments property. The rehabilitation work will consist of new roofs where required, exterior siding where required, new windows, and new gutters. The configuration of the property will not change. It consists of 36 efficiencies, 78 one bedroom units and 36 two bedroom units. There is an existing HUD project-based Section 8 contract for the units, and this will continue as long as HUD renews the contract.

C. OWNER INFORMATION

NameLynchburg United Methodist Housing, L.P.

Contact PersonRev. J. Robert Regan

Address308 Wakefield Drive, Locust Grove, VA 22508

Type of entity:

☒ Limited Partnership

☒ Other:

☐ Individual(s)

☐ Corporation

Principal(s) involved (e.g. general partners, controlling shareholders, etc.):

Names

Phone

Type of Ownership

% Ownership

Virginia United Methodist Housing

Development Corporation

540-972-2813

General Partner

1%

D. SELLER INFORMATION:

Name Meadowbrook Limited Partnership

Address 3130 Chaparral Drive, Suite 200
Roanoke, VA 24018

Is there an identity of interest between the seller and owner/applicant? ☐ Yes ☒ No
If yes, complete the following:

Principal(s) involved (e.g. general partners, controlling shareholders, etc.):

Name

Address

E. DEVELOPMENT INFORMATION

A. Structure and Units :

Total number of all units in development	150	bedrooms	186
Number of low-income units	150	bedrooms	186
Percentage of units designated low-income	100		
Percentage of floor space attributable to low-income	100		

The development's structural features are (check all that apply):

☐ Row House/Townhouse ☒ Garden Apartments ☒ Slab on Grade ☐ Crawl Space
☐ Detached Single-family ☐ Detached Two-family ☐ Basement Age of Structure: 28
☐ Elevator Number of stories: 2 Year

Number new units		bedrooms	
Number of adaptive reuse units		bedrooms	
Number of rehabilitation units	150	bedrooms	186
Total number of all units	150	Total bedrooms	186
Gross Residential Floor Area	91,010		
Commercial Floor Area	0		
Number of Buildings	11		

B. Building Systems:

Please describe each of the following in the space provided

Community Facilities: Community room, Kitchen, shop, baths, library and office

Exterior Finish: Siding, T1-11

Heating/AC System: Electric cooling system and gas hear in each building

Architectural Style: Traditional and Patio style